

June 9, 2015

The Honorable Joseph Graves  
Chairman, House Commerce and Trade Committee  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, MI 48909

Dear Chairman Graves:

The Detroit Regional Chamber continues to be a strong advocate for more transportation options in Southeast Michigan. Our long-term support of an enhanced regional transit system is based on the concept that a viable metropolitan economy requires a viable transportation network. Our support for an increased infrastructure network does not stem from any one particular member interest, but rather our overall commitment to powering the economy for southeast Michigan. With appreciation for these policy objectives, the Chamber must regrettably oppose House Bills 4637-41 in their current form.

City councils and state legislatures across the country have struggled to find agreeable solutions when tasked with regulating innovative companies like Uber and Lyft. Some have proposed banning the ride-sharing companies outright, a practice that ignores consumer demand for sophisticated new products. Others have fully embraced the new entrants and allow them to operate unrestrained, leaving established companies at a substantial disadvantage. As you and your colleagues continue to mitigate this complex issue, the Detroit Regional Chamber urges a broadening of the conversation.

Over the past few months, this committee has had the opportunity to learn and understand the complex regulations that surround the ride-for-hire industry. The proposed solution, while constructive and forward-thinking, applies a narrow fix to a much wider problem. We have heard testimony from all parties involved explaining the burdensome effect that the current limousine law has on their ability to operate, and instead of addressing this larger issue, the current package of bills provides for a new regulatory system that applies only to new entrants.

Incumbent ride-for-hire businesses have operated under current limousine law for decades, and while new market entrants like Uber and Lyft have introduced creative methods for connecting driver and rider, the technological aspect of the services they offer should not entitle them to a regulatory advantage. This method of selective regulation imposes an unfair legal advantage that hinders a traditional company's ability to compete. If the intent is to modernize and relieve the industry from burdensome regulation, certainly all companies can benefit from appropriate changes.

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As the debate continues, it is important to appreciate that these new market entrants have set up operations in Michigan because they see a great deal of opportunity doing business in this state. Michigan must strive to maintain a fair and desirable business environment if we hope to continue our recovery; the actions taken by you and your colleagues will be crucial to our city's success and our state's future.

While the Detroit Regional Chamber opposes House Bills 4637-41 as written, we look forward to continuing this conversation as a partner with the goal of developing a fair and uniform ride-for-hire regulatory system in Michigan.

Sincerely,

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Lindsay Case  
Senior Director, Government Relations  
Detroit Regional Chamber

cc: Members of the House Commerce and Trade Committee  
Michigan House of Representatives